Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/GTR

Contact Us

June 12, 2008

Contents

The next release is June 19, '08

WEEKLY HIGHLIGHTS

River Closure Due to Flooding

Due to widespread flooding, the U.S. Army Corps of Engineers will close a 216-mile stretch of the Mississippi River—from Illinois City, IL, (Lock 16) to Winfield, MO, (Lock 25). Lock 16 will close on June 12 and Lock 25 on June 17. The closure will stop all barges from transiting the Upper Midwest and is expected to last at least 2 weeks. Lock machinery must be removed before flooding and then re-installed when flood levels recede.

June WASDE Projections Suggest Slightly Decreased Grain Transportation Demand for 2008/09

The June 10 World Agricultural Supply and Demand Estimates indicates that total wheat, corn, sorghum, and soybean transportation demand could decrease 629 million bushels, 3 percent lower than the record set during the 2007/08 marketing year. A projected 17 percent decrease in export usage of these cops from 2007/08 is expected to more than offset a projected 2 percent increase in domestic usage. Rail and barge transportation will be most strongly affected—they carried 98 percent of the corn, 96 percent of the wheat, 94 percent of the soybeans, and 68 percent of the sorghum destined to export locations from 2000 through 2004.

Flooding Delays Midwest Rail Service

Heavy rains this week have resulted in widespread flooding of rail lines in the Midwestern states of Minnesota, Iowa, Illinois, Nebraska, Missouri, Wisconsin, and Kansas. Canadian National Railways reports that five main lines were flooded, two of which resumed operations by June 10. BNSF reports a washout 20 miles south of LaCrosse, Wisconsin, which has been repaired. Union Pacific reports widespread flooding and weather related damage. Shippers should expect delays of up to 72 hours in these regions.

Panama Canal Dry Bulk Transit Rose During 2nd Quarter

Although total transits and tonnage passing through Panama Canal dropped slightly during 2nd quarter (January–March) of fiscal year 2008, dry bulk transits rose from 586 to 625, 6.7 percent more than the same period last year, according to a report released by the Panama Canal Authority (ACP) on May 18. Dry bulk cargo tonnage increased 10.4 percent, from 12.3 to 13.5 million Panama Canal/Universal Measurement System tons. Canal Waters Time (CWT), the average time it takes a vessel to transit the Canal, also increased from 27.40 to 36.39 hours, a 32.8 percent increase. The increase was caused by a peak-season surge in vessel arrival that coincided with maintenance work at the Pedro Miguel and Miraflores locks. ACP has since implemented some measures to reduce the CWT.

Snapshots by Sector

Rail

U.S. railroads originated 22,669 **carloads of grain** during the week ending May 31, up 2 percent from the previous week, 15 percent from the same week last year, and 19 percent higher than the 3-year average.

Ocean

During the week ending June 5, 37 ocean-going **grain vessels** were loaded in the Gulf, up 28 percent from last year. Fifty-seven **vessels** are due within the next 10 days, up 30 percent from last year.

As of June 8, the cost of shipping grain from the Gulf to Japan was $135 per mt, unchanged from the previous week. The rate from the PNW to Japan was $80 per mt, up 3 percent from the previous week.

Barge

During the week ending June 7, **barge grain movements** totaled 633,000 tons, up 12 percent from the previous week but 19 percent less than the same period last year.

Fuel

During the week ending June 9, U.S. average **diesel fuel prices** decreased 2 cents per gallon to $4.69—less than 1 percent lower than the previous week, and 68 percent higher than the same week last year.

Feature Article/Calendar

Cost of Transporting Wheat to Japan Drops. The cost of shipping U.S. wheat to Japan receded during the first quarter. The drop, which followed four consecutive quarterly increases, was caused by dropping ocean rates (see table). The cost from Kansas and North Dakota through the Pacific Northwest (PNW) decreased 15 percent from last quarter, but increased 24 and 27 percent over the first quarter last year. The cost through the Gulf from Kansas and North Dakota decreased 7 and 8 percent, respectively, but the year-to-year costs increased 57 and 52 percent due to increases among each mode (see table).

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the PNW

	KS					ND				
Mode	2007 1st qtr	2007 4th qtr	2008 1st qtr	Year-to-Year change	Quarterly change	2007 1st qtr	2007 4th qtr	2008 1st qtr	Year-to-Year change	Quarterly change
	- $/metric ton -				%	- $/metric ton -				%
Truck	10.23	10.26	12.11	18.38	18.03	10.23	10.26	12.11	18.38	18.03
Rail	50.60	50.60	50.23	-0.73	-0.73	42.33	42.33	42.33	0.00	0.00
Ocean vessel	38.85	84.18	61.30	57.79	-27.18	38.85	84.18	61.30	57.79	-27.18
Transportation Costs	99.68	145.04	123.64	24.04	-14.75	91.41	136.77	115.74	26.62	-15.38
Farm Value[1]	175.14	291.38	359.11	105.04	23.24	171.10	292.11	425.12	148.46	45.53
Total Landed Cost	274.82	436.42	482.75	75.66	10.62	262.51	428.88	540.86	106.03	26.11
Transport % of landed cost	36.27	33.23	25.61				31.89	21.40		

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the Gulf

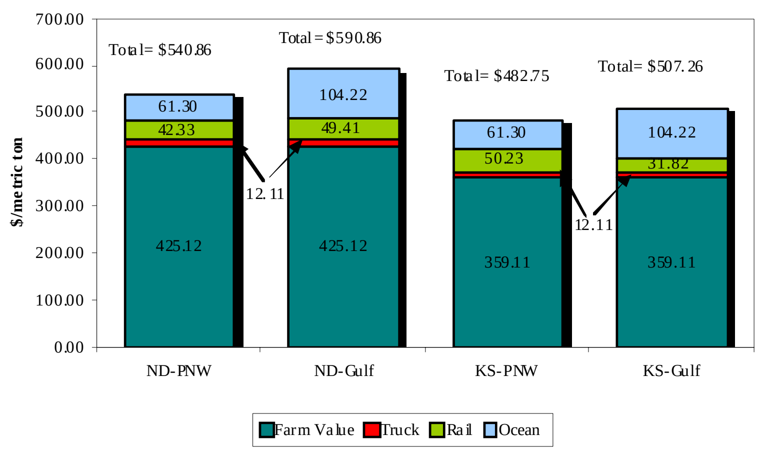
	KS					ND				
Mode	2007 1st qtr	2007 4th qtr	2008 1st qtr	Year-to-Year change	Quarterly change	2007 1st qtr	2007 4th qtr	2008 1st qtr	Year-to-Year change	Quarterly change
	- $/metric ton -				%	- $/metric ton -				%
Truck	10.23	10.26	12.11	18.38	18.03	10.23	10.26	12.11	18.38	18.03
Rail	29.21	31.08	31.82	8.94	2.38	43.53	51.06	49.41	13.51	-3.23
Ocean vessel	55.03	118.27	104.22	89.39	-11.88	55.03	118.27	104.22	89.39	-11.88
Transportation Costs	94.47	159.61	148.15	56.82	-7.18	108.79	179.59	165.74	52.35	-7.71
Farm Value[1]	175.14	291.38	359.11	105.04	23.24	171.10	292.11	425.12	148.46	45.53
Total Landed Cost	269.61	450.99	507.26	88.15	12.48	279.89	471.70	590.86	111.10	25.26
Transport % of landed cost	35.04	35.39	29.21				38.07	28.05		

[1] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

The total landed cost (farm value plus transportation costs) from each state increased substantially during the first quarter, driven by rising truck rates and farm values for wheat (see table). Landed costs from North Dakota through the Gulf continued to exceed other routes during the first quarter, reaching a record $591 per metric ton (see figure). First quarter transportation costs represented 21 to 29 percent of the total landed costs, a significantly lower share than previous quarters (see table).

North Dakota farm value ($425 per metric ton) for wheat increased at a higher rate than the Kansas farm value ($359 per metric ton) (see table). Rising diesel prices pushed up the cost of moving wheat by truck to a railhead 18 percent from last quarter and also from last year.

Cost of shipping wheat from Kansas and North Dakota to Japan, 1st Quarter 2008



Source: USDA/AMS/Transportation and Marketing Programs

Ocean freight rates for shipping wheat to Japan from the PNW and the Gulf decreased 27 and 12 percent, respectively, compared to the previous quarter (see table), lowering transportation costs overall. Ocean rates receded as vessel activity slowed during the first quarter (*see* ***GTR dated 6/05/08***). The change for each export region, however, was still significantly higher than last year.

Rail tariff rates to the PNW during the first quarter dropped slightly from Kansas and remained unchanged from North Dakota (see table). Rates from Kansas to the Gulf, however, increased 9 percent from year to year and 2 percent from quarter to quarter. North Dakota-to-Gulf rates increased 14 percent over last year, but dropped 3 percent from the previous quarter.

According to the Foreign Agricultural Service, first quarter wheat exports to Japan totaled 1.08 mmt, up 34 percent from the fourth quarter despite record-high transportation costs. Total first quarter wheat exports to Japan accounted for 15 percent of total U.S. wheat exports. Year-to-date export sales of all wheat (shipped) are up 41 percent from last year. *Johnny.Hill@usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean: Gulf	Ocean: Pacific
06/11/08	315	156	293	604	567
06/04/08	316	175	239	604	553

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	6/6/2008	5/30/2008
Corn	IL--Gulf	-0.67	n/a
Corn	NE--Gulf	-0.70	n/a
Soybean	IA--Gulf	-4.60	-1.11
HRW	KS--Gulf	-1.70	n/a
HRS	ND--Portland	-3.29	-3.96

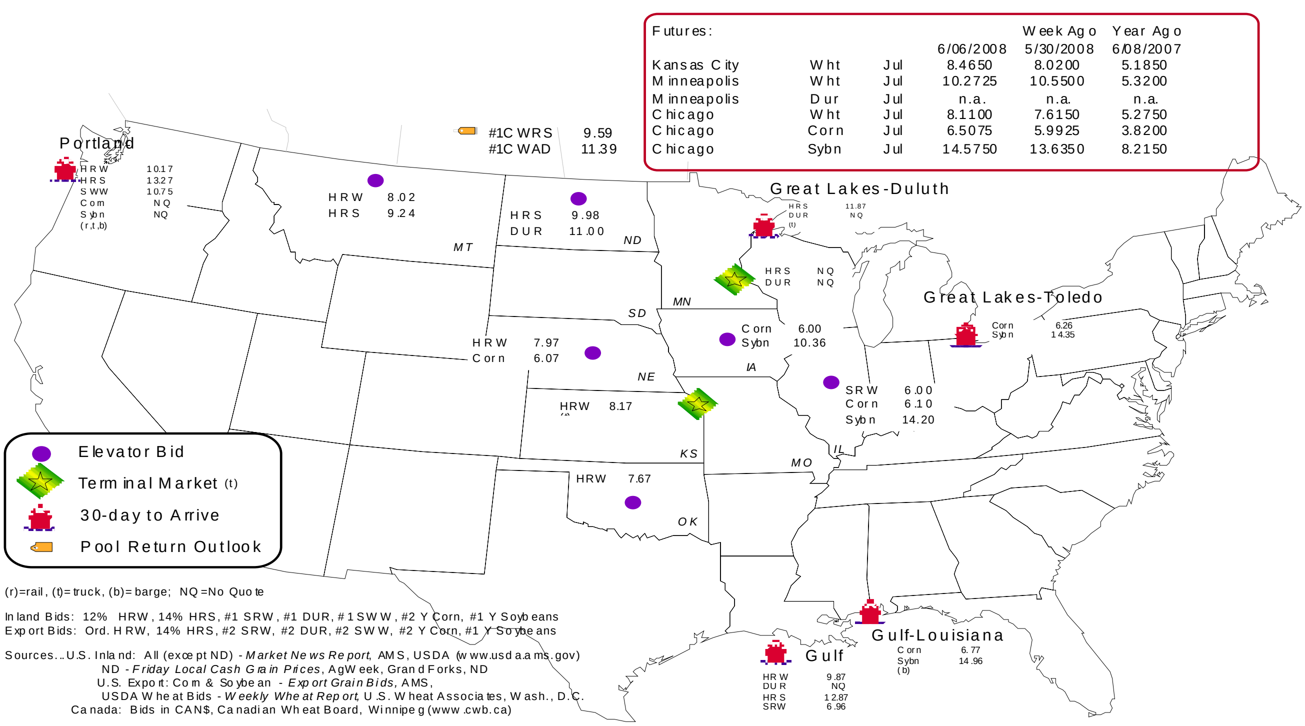
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
6/04/2008[p]	494	2,373	493	5,324	186	8,870
5/28/2008[r]	828	1,359	954	6,118	285	9,544
2008 YTD	31,086	53,885	14,313	128,647	20,066	247,997
2007 YTD	24,725	33,023	20,879	102,286	10,178	191,091
2008 YTD as % of 2007 YTD	126	163	69	126	197	130
Last 4 weeks as % of 2007 [3]	223	155	60	159	149	142
Last 4 weeks as % of 4-year avg.[3]	157	107	71	136	195	124
Total 2007	62,106	113,459	40,725	227,970	31,369	475,629
Total 2006	96,593	99,866	45,971	213,682	29,334	485,446

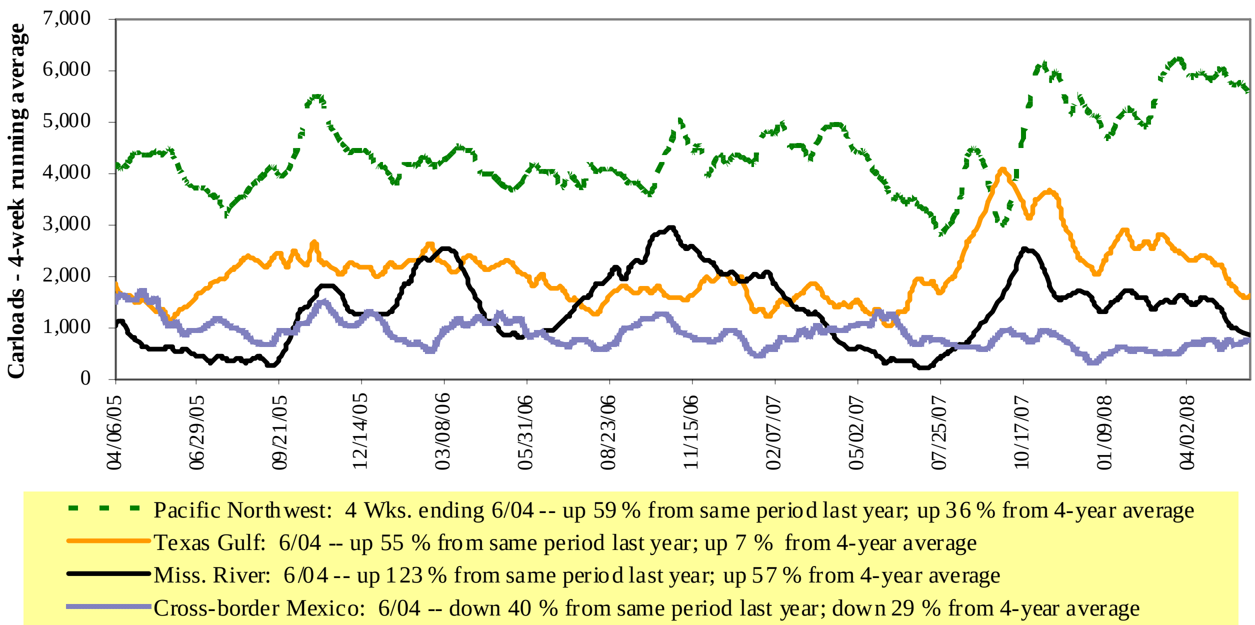
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2007 and prior 4-year average.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

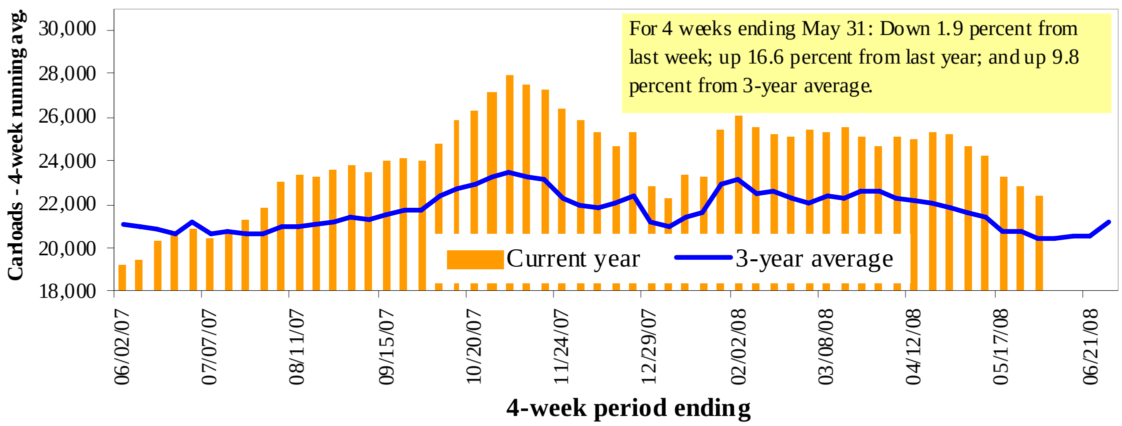
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
05/31/08	2,560	2,854	10,511	988	5,756	22,669	4,192	4,306
This week last year	2,798	3,363	8,702	693	4,162	19,718	4,696	4,661
2008 YTD	65,474	67,790	248,091	15,703	144,920	541,978	101,614	94,514
2007 YTD	63,985	67,596	207,030	14,460	106,853	459,924	102,726	99,197
2008 YTD as % of 2007 YTD	102	100	120	109	136	118	99	95
Last 4 weeks as % of 2007[1]	88	98	121	113	142	117	111	99
Last 4 weeks as % of 3-yr avg.[1]	88	103	117	123	113	110	120	104
Total 2007	147,937	166,780	536,362	33,980	292,973	1,178,032	250,852	240,401

[1]As a percent of the same period in 2007 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
6/7/2008	Jun-08	Jun-07	Jul-08	Jul-07	Aug-08	Aug-07	Sep-08	Sep-07
BNSF[3]								
COT grain units	no offer	no offer	no bids	no bids	no offer	0	191	0
COT grain single-car[5]	no offer	no offer	no offer	no bids	166 . . 221	1. . 20	190 . . 280	0 . . 20
UP[4]								
GCAS/Region 1	no bids	no offer	no bids	no bids	no bids	no bids	no offer	no offer
GCAS/Region 2	no bids	no offer	no bids	no bids	no bids	no bids	no offer	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

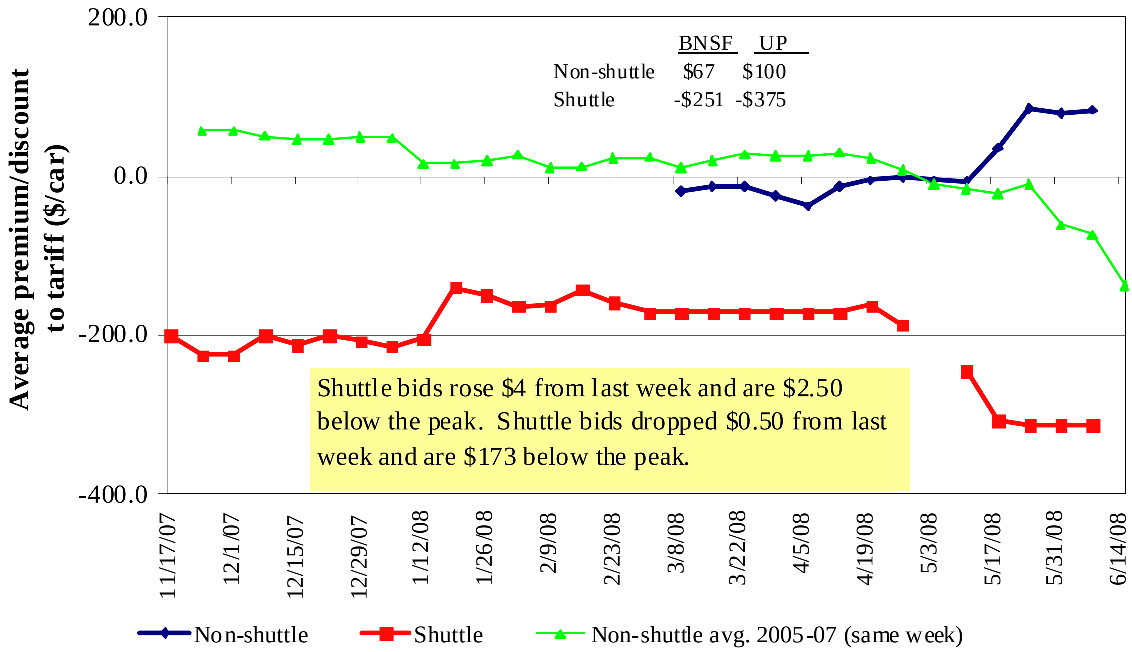
Source: Transportation & Marketing Programs/AMS/USDA.

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in June 2008, Secondary Market

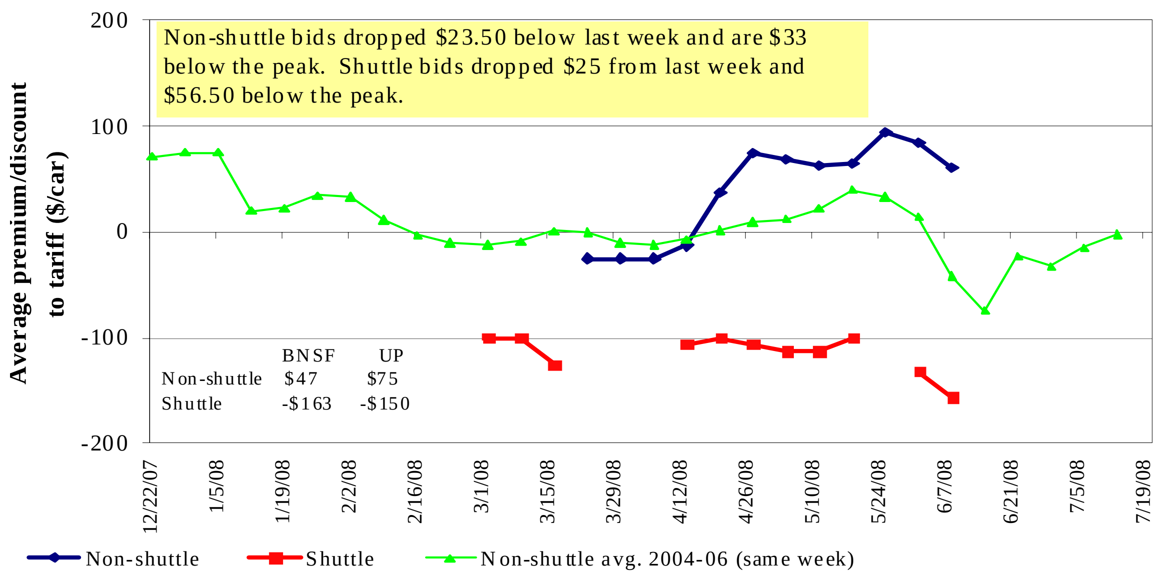


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in July 2008, Secondary Market

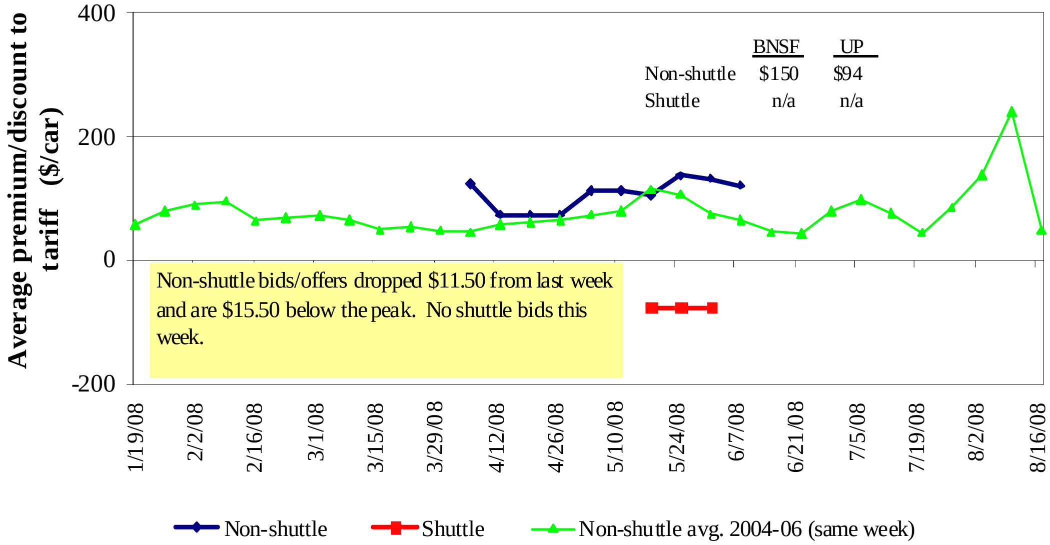


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 2008, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
6/7/2008	**Jun 08**	**Jul 08**	**Aug-08**	**Sept-08**	**Oct-08**	**Nov-08**
Non-shuttle						
BNSF-GF	67	47	150	250	n/a	n/a
Change from last week	-8	-28	-17	0	n/a	n/a
Change from same week 2007	80	43	125	200	n/a	n/a
UP-Pool	100	75	94	n/a	n/a	n/a
Change from last week	16	-19	-6	n/a	n/a	n/a
Change from same week 2007	n/a	81	52	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-251	-163	n/a	n/a	n/a	n/a
Change from last week	-26	-50	n/a	n/a	n/a	n/a
Change from same week 2007	224	137	n/a	n/a	n/a	n/a
UP-Pool	-375	-150	n/a	n/a	n/a	n/a
Change from last week	25	0	n/a	n/a	n/a	n/a
Change from same week 2007	-275	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 6/2/2008	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$2,322	100	$25.60	$0.70
	Kansas City, MO	Galveston, TX	$2,528	111	$27.87	$0.76
	South Central, KS	Galveston, TX	$2,995	113	$33.01	$0.90
	Minneapolis, MN	Houston, TX	$3,214	100	$35.43	$0.96
	St. Louis, MO	Houston, TX	$2,905	110	$32.02	$0.87
	South Central, ND	Houston, TX	$4,149	114	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	100	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	100	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,540	99	$50.04	$1.36
	Chicago, IL	Richmond, VA	$2,353	90	$25.94	$0.71
Corn	Chicago, IL	Baton Rouge, LA	$3,260	106	$35.93	$0.91
	Council Bluffs, IA	Baton Rouge, LA	$3,107	106	$34.25	$0.87
	Kansas City, MO	Dalhart, TX	$3,204	110	$35.32	$0.90
	Minneapolis, MN	Portland, OR	$3,350	103	$36.93	$0.94
	Evansville, IN	Raleigh, NC	$2,708	107	$29.85	$0.76
	Columbus, OH	Raleigh, NC	$2,597	107	$28.63	$0.73
	Council Bluffs, IA	Stockton, CA	$5,280	104	$58.20	$1.48
Soybeans	Chicago, IL	Baton Rouge, LA	$3,309	106	$36.47	$0.99
	Council Bluffs, IA	Baton Rouge, LA	$3,156	106	$34.79	$0.95
	Minneapolis, MN	Portland, OR	$4,160	105	$45.86	$1.25
	Evansville, IN	Raleigh, NC	$2,708	107	$29.85	$0.81
	Chicago, IL	Raleigh, NC	$3,308	106	$36.46	$0.99
Shuttle Train						
Wheat	St. Louis, MO	Houston, TX	$2,642	125	$29.12	$0.79
	Minneapolis, MN	Portland, OR	$3,540	100	$39.02	$1.06
Corn	Fremont, NE	Houston, TX	$2,448	108	$26.98	$0.69
	Minneapolis, MN	Portland, OR	$3,348	106	$36.90	$0.94
Soybeans	Council Bluffs, IA	Houston, TX	$2,606	108	$28.73	$0.78
	Minneapolis, MN	Portland, OR	$3,502	106	$38.60	$1.05

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 6/2/08					**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$3,908	116	$39.93	$1.09
	ND	Eagle Pass, TX	Unit	$4,900	106	$50.07	$1.36
	OK	El Paso, TX	Shuttle	$2,463	105	$25.17	$0.68
	OK	El Paso, TX	Unit	$3,448	119	$35.23	$0.96
	AR	Laredo, TX	Unit	$3,622	122	$37.01	$1.01
	IL	Laredo, TX	Unit	$4,508	117	$46.06	$1.25
	MT	Laredo, TX	Shuttle	n/a	n/a	n/a	n/a
	TX	Laredo, TX	Shuttle	$3,154	121	$32.23	$0.88
	MO	Laredo, TX	Shuttle	$3,776	117	$38.58	$1.05
	WI	Laredo, TX	Unit	$4,747	116	$48.50	$1.32
Corn	NE	Brownsville, TX	Shuttle	$4,318	105	$44.12	$1.12
	NE	Brownsville, TX	Unit	$4,217\[4]	105	$43.09	$1.09
	IA	Eagle Pass, TX	Unit	$4,570	105	$46.69	$1.18
	MO	Eagle Pass, TX	Shuttle	$4,066\[4]	106	$41.55	$1.05
	NE	Eagle Pass, TX	Shuttle	$4,466\[4]	105	$45.63	$1.16
	IA	Laredo, TX	Shuttle	$4,486	105	$45.84	$1.16
Soybean	IA	Brownsville, TX	Shuttle	$4,167	105	$42.58	$1.16
	MN	Brownsville, TX	Shuttle	$4,365	105	$44.60	$1.21
	NE	Brownsville, TX	Shuttle	$3,958	105	$40.44	$1.10
	NE	Eagle Pass, TX	Shuttle	$4,041	105	$41.29	$1.12
	IA	Laredo, TX	Unit	$4,209	105	$43.01	$1.17

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

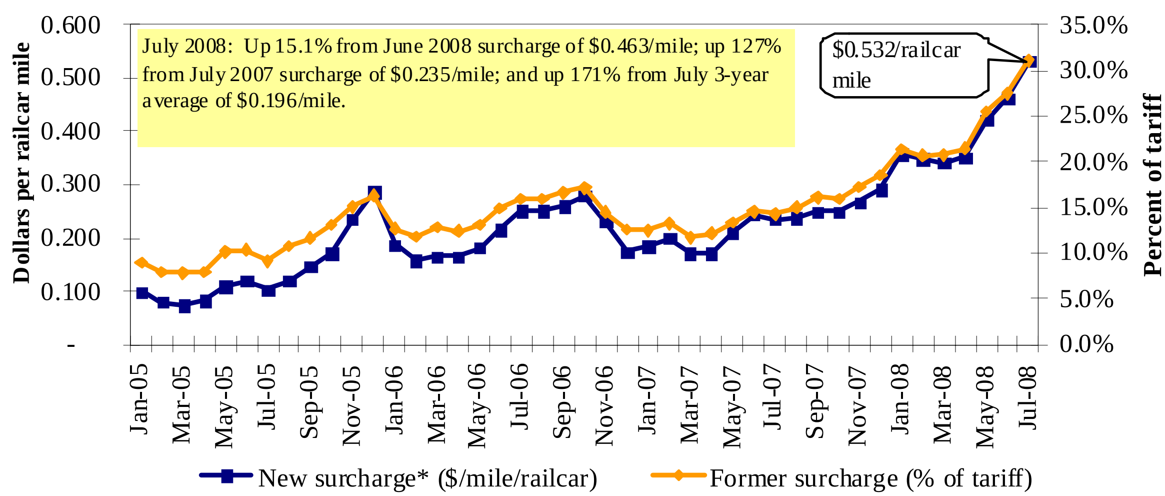
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

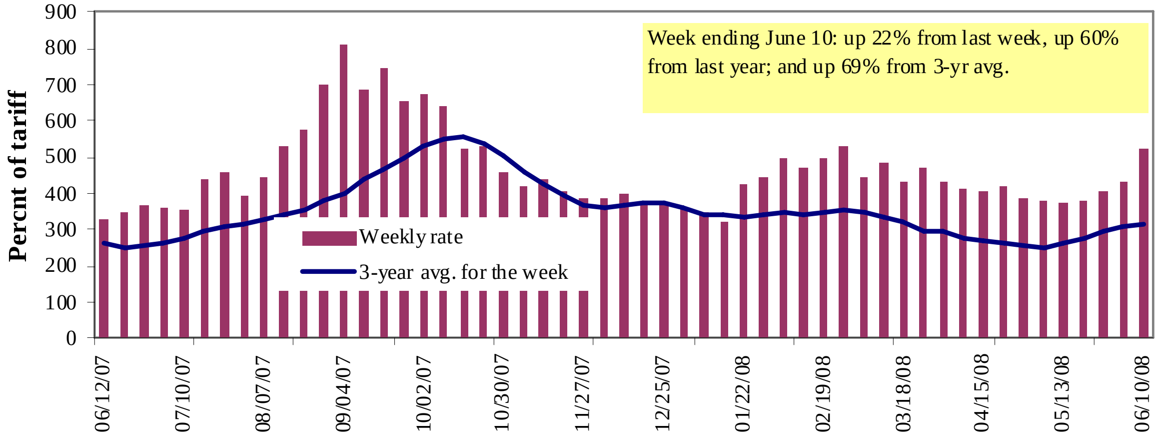
* Mileage-based fuel surcharges from December 2004 through March 2007 are estimated.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	6/10/2008	522	523	527	428	423	423	411
	6/3/2008	468	433	431	375	365	365	363
$/ton	6/10/2008	32.31	27.82	24.45	17.08	19.84	17.09	12.91
	6/3/2008	28.97	23.04	20.00	14.96	17.12	14.75	11.40
Current week % change from the same week:								
	Last year	26	48	60	75	69	68	78
	3-year avg. [2]	40	61	69	81	79	78	87
Rate[1]	July	533	537	538	471	474	474	452
	September	680	675	673	659	708	708	677

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9

Benchmark tariff rates

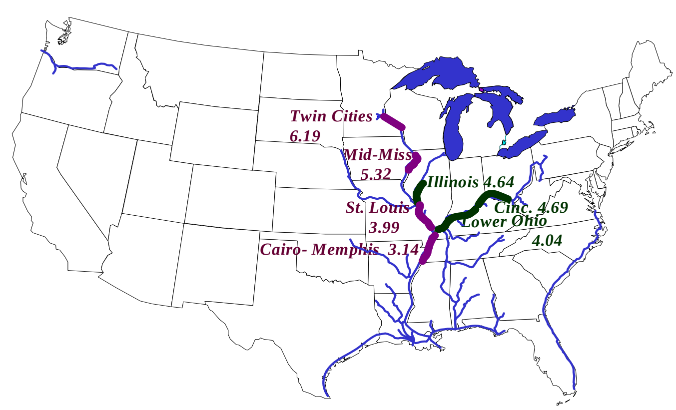
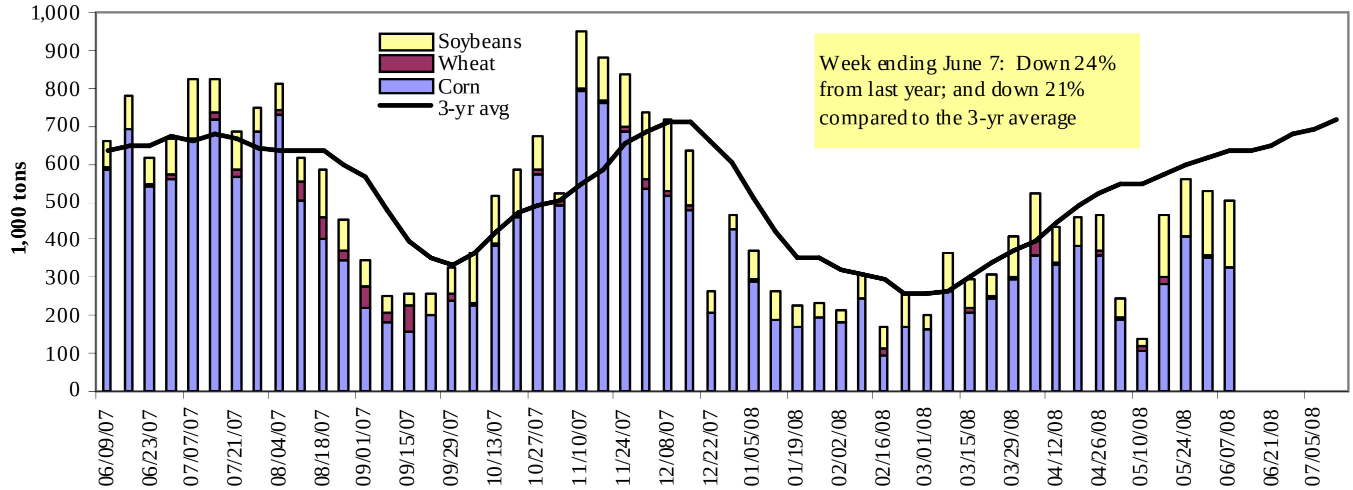


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 6/07/2008	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	112	0	78	6	196
Winfield, MO (L25)	220	0	151	3	374
Alton, IL (L26)	359	0	191	3	553
Granite City, IL (L27)	326	0	180	3	509
Illinois River (L8)	59	0	25	0	84
Ohio River (L52)	64	0	19	0	83
Arkansas River (L1)	0	0	30	11	41
Weekly total - 2008	390	0	229	14	633
Weekly total - 2007	642	28	100	8	778
2008 YTD[1]	8,331	335	3,256	264	12,186
2007 YTD	9,674	652	2,905	208	13,438
2008 as % of 2007 YTD	86	51	112	127	91
Last 4 weeks as % of 2007[2]	65	48	211	153	84
Total 2007	25,510	1,711	6,566	874	34,398

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

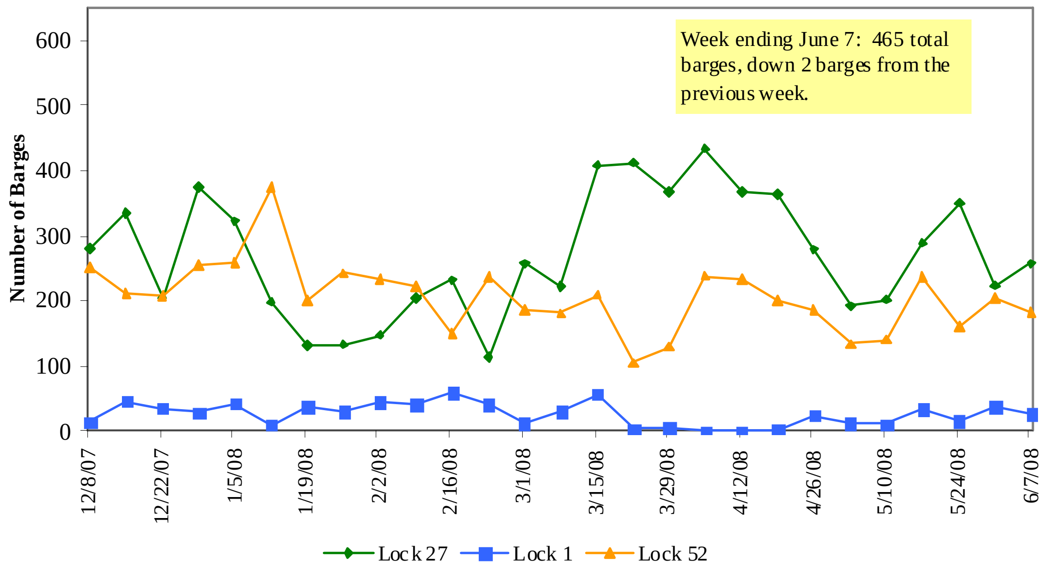
[2] As a percent of same period in 2007.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

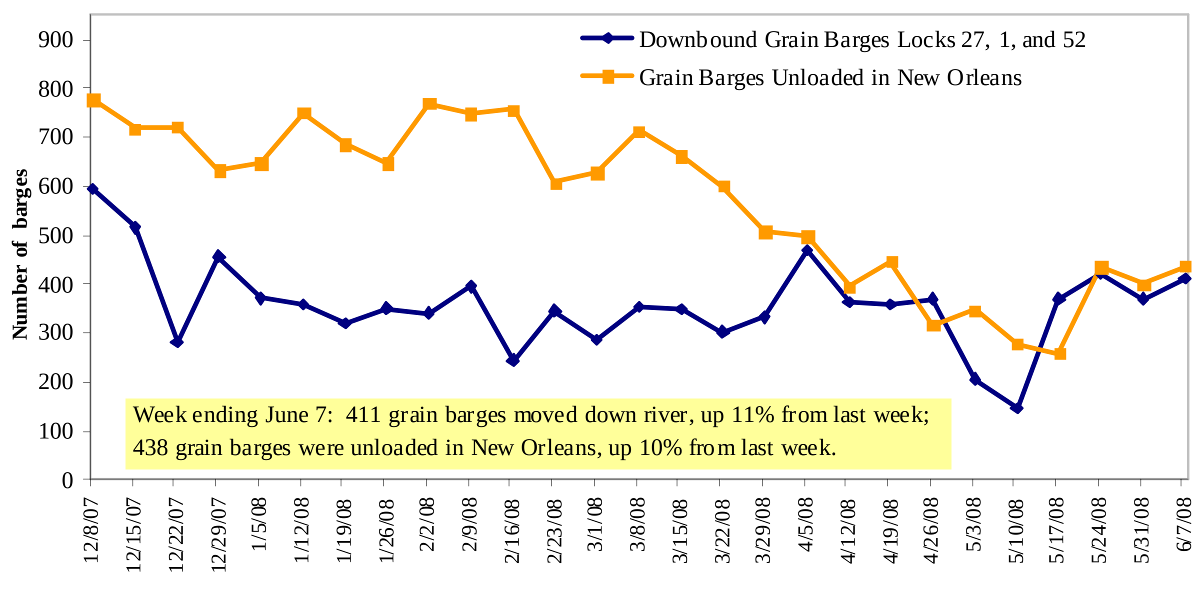
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 6/9/08 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	4.743	-0.016	1.954
	New England	4.834	-0.012	1.952
	Central Atlantic	4.879	-0.028	2.006
	Lower Atlantic	4.677	-0.010	1.933
II	Midwest[2]	4.615	-0.028	1.862
III	Gulf Coast[3]	4.658	-0.006	1.916
IV	Rocky Mountain	4.698	0.018	1.761
V	West Coast	4.874	-0.004	1.933
	California	4.992	-0.035	1.995
Total	U.S.	4.692	-0.015	1.900

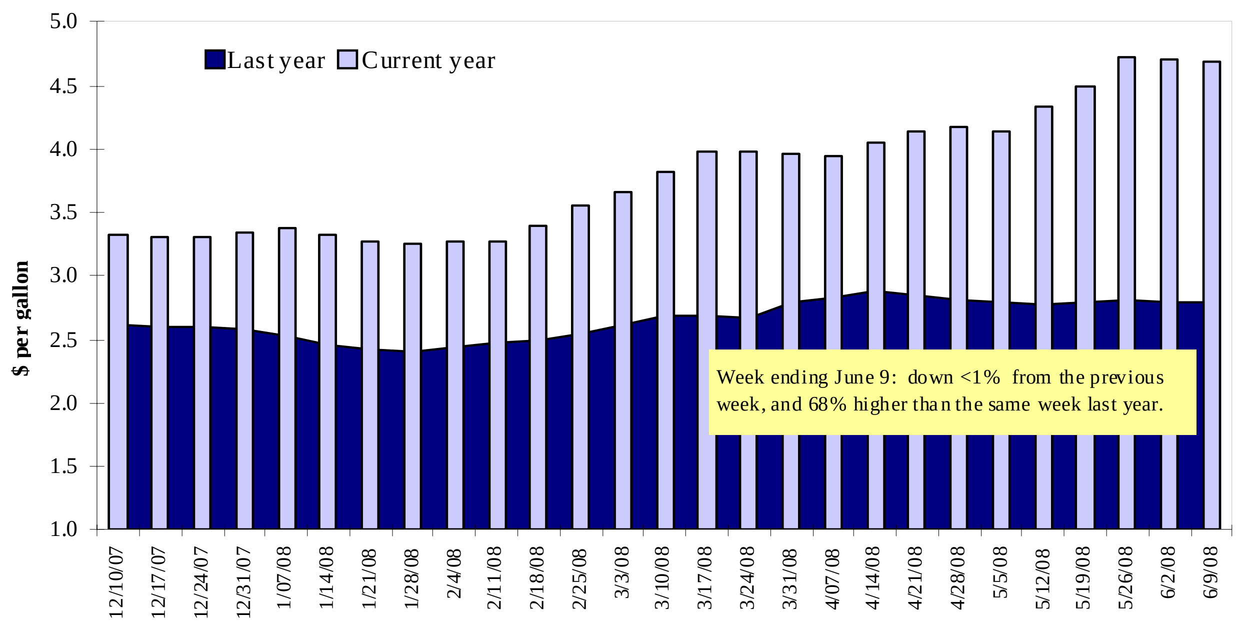
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
5/29/2008	697	525	271	103	22	1,614	11,725	3,591	16,930
This week year ago	362	216	171	132	6	886	8,642	2,392	11,920
Cumulative exports-marketing year [2]									
2007/08 YTD	13,709	5,568	7,842	4,191	1,075	32,385	46,866	26,424	105,675
2006/07 YTD	6,800	3,866	6,480	4,996	761	22,902	41,211	26,600	90,713
YTD 2007/08 as % of 2006/07	202	144	121	84	141	141	114	99	116
Last 4 wks as % of same period 2006/07	306	297	245	115	467	265	144	151	154
2006/07 Total	6,800	3,866	6,480	4,996	761	22,902	53,799	30,261	106,962
2005/06 Total	10,459	2,037	7,244	4,159	930	24,828	54,354	25,570	104,752

[1] Current unshipped export sales to date

[2] Shipped export sales to date; new marketing year now in effect for corn and soybeans sales

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 05/29/08	**Total Commitments[2]**			**% change**	**Exports[3]**
	2008/09	**2007/08**	**2006/07**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2006/07**
		- 1,000 mt -			- 1,000 mt -
Japan	712	14,913	14,114	6	15,640
Mexico	755	8,531	9,350	(9)	9,114
Taiwan	0	3,161	4,003	(21)	4,517
Korea	384	8,395	3,599	133	4,079
Egypt	0	3,156	2,939	7	3,508
Top 5 importers	**1,852**	**38,156**	**34,004**	**12**	**36,858**
Total US corn export sales	**3,188**	**58,591**	**49,853**	**18**	
% of Projected	6%	92%	92%		
Change from Last Week	172	1,008	1,052		
Top 5 importers' share of U.S. corn export sales	58%	65%	68%		
USDA forecast, June 2008	**50,800**	**63,500**	**53,970**	**18**	
Corn Use for Ethanol USDA forecast, June 2008	**101,600**	**76,200**	**53,772**	**42**	

(n) indicates negative number.

[1]Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3]FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

[4]Not Included, FAS Press Release: **120,000** mt to Egypt on 6/2 for 2008/09.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 05/29/08	Total Commitments[2] 2008/09 Next MY	2007/08 Current MY	2006/07 Last MY	% change current MY from last MY	Exports[3] 2006/07
		- 1,000 mt -			- 1,000 mt -
China	761	13,427	11,064	21	11,455
Mexico	159	3,471	3,606	(4)	3,854
Japan	648	2,766	2,802	(1.3)	3,159
EU-25	305	3,704	3,573	4	3,551
Taiwan	0	1,521	1,675	(9)	1,942
Top 5 importers	**1,874**	**24,889**	**22,720**	**10**	**23,960**
Total US soybean export sales[4]	**2,550**	**30,014**	**28,992**	**4**	
% of Projected	9%	101%	95%		
Change from last week	283	544	628		
Top 5 importers' share of U.S. soybean export sales	73%	83%	78%		
USDA forecast, June 2008	**28,580**	**29,670**	**30,430**	**(2)**	
Soybean Use for Biodiesel USDA forecast, June 2008	**7,435**	**7,075**	**6,705**	**6**	

(n) indicates negative number.

[1]Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

[4]Not included - FAS Press Release: **165,000** mt to Unknown on 5/27 for 2008/09.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 05/29/08	Total Commitments[2] 2008/09 Next MY	2007/08 Current MY	2006/07 Last MY	% change current MY from last MY	Exports[3] 2006/07
			- 1,000 mt -		- 1,000 mt -
Japan	263	3,497	3,433	2	3,533
Nigeria[4]	278	2,578	2,441	6	2,594
Mexico	539	2,729	2,220	23	2,220
Egypt	300	3,394	2,092	62	2,092
Philippines	638	1,673	1,767	(5)	1,739
Korea, South	169	1,611	1,195	35	1,195
Taiwan	14	1,112	1,001	11	1,001
Iraq	949	2,164	799	171	799
Yemen	0	997	709	41	709
Algeria[5]	195	853	160	434	160
Top 10 importers	**3,345**	**20,607**	**15,815**	**30**	**16,041**
Total US wheat export sales	**5,785**	**33,999**	**22,902**	**48**	**23,789**
% of Projected	21%	99%	93%		
Change from last week	98	140	-922		
Top 10 importers' share of U.S. wheat export sales	58%	61%	69%		
USDA forecast, June 2008	**27,220**	**34,430**	**24,730**	**39**	

(n) indicates negative number.

[1]Based on FAS 2006/07 Marketing Year Ranking Reports (except Algeria) - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

[4]Not Included, FAS Press Release: **100,000 mt** Nigeria on 6/2 for 2008/09.

[5]Not Included, FAS Press Release: **100,000 mt** Algerria on 6/2 for 2008/09.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 06/05/08	2008 YTD[1]	2007 YTD[1]	2008 YTD as % of 2007 YTD	Last 4-weeks as % of 2007	Last 4-weeks as % of 3-yr. avg.	Total[1] 2007
Pacific Northwest							
Wheat	164	5,259	5,309	99	98	94	11,913
Corn	321	6,046	3,907	155	155	141	9,171
Soybeans	57	4,255	3,556	120	178	242	7,648
Total	**543**	**15,560**	**12,771**	**122**	**134**	**129**	**28,732**
Mississippi Gulf							
Wheat	128	1,893	2,363	80	126	107	6,296
Corn	479	14,343	14,535	99	84	74	34,832
Soybeans	18	7,050	7,148	99	66	58	14,930
Total	**625**	**23,286**	**24,046**	**97**	**85**	**75**	**56,058**
Texas Gulf							
Wheat	209	3,757	2,179	172	156	184	8,558
Corn	31	964	546	177	101	34	1,441
Soybeans	0	105	71	148	0	n/a	108
Total	**241**	**4,826**	**2,796**	**173**	**152**	**154**	**10,107**
Great Lakes							
Wheat	0	189	353	54	16	13	2,721
Corn	11	56	183	31	12	9	894
Soybeans	0	26	26	99	103	103	510
Total	**11**	**271**	**562**	**48**	**21**	**17**	**4,125**
Atlantic							
Wheat	18	333	345	97	107	104	1,281
Corn	1	423	205	207	5	5	699
Soybeans	1	313	246	128	376	302	564
Total	**20**	**1,070**	**795**	**134**	**87**	**85**	**2,544**
U.S. total from ports[2]							
Wheat	520	11,242	10,197	110	113	110	30,770
Corn	843	21,832	19,375	113	99	87	47,036
Soybeans	77	11,749	11,046	106	101	98	23,760
Total	**1,440**	**44,823**	**40,618**	**110**	**104**	**94**	**101,566**

[1] Includes weekly revisions, some regional totals may not add exactly due to rounding.

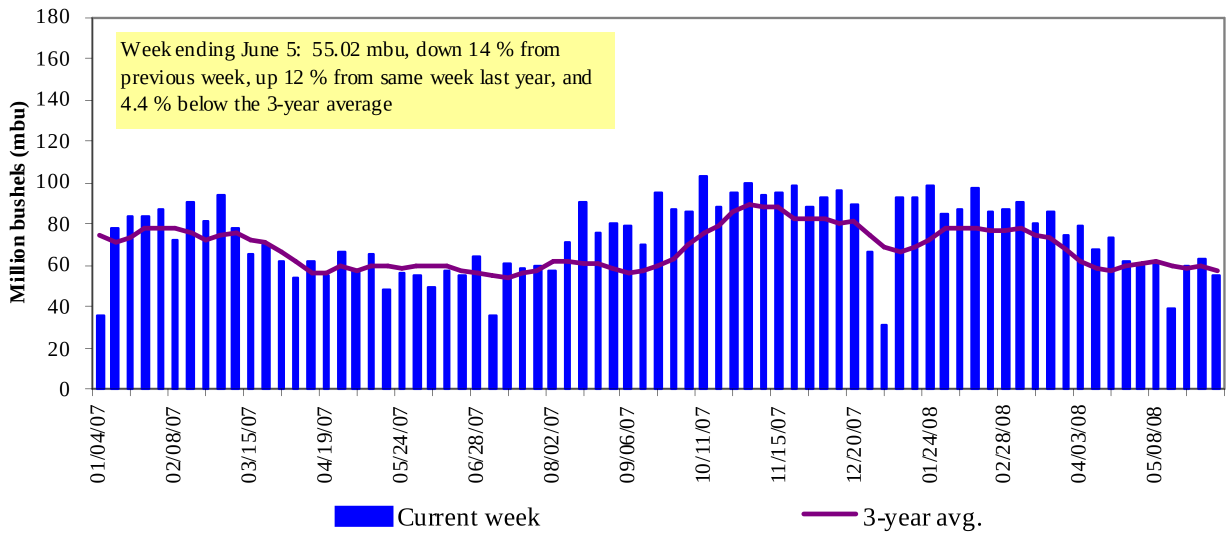
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 48 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2007.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

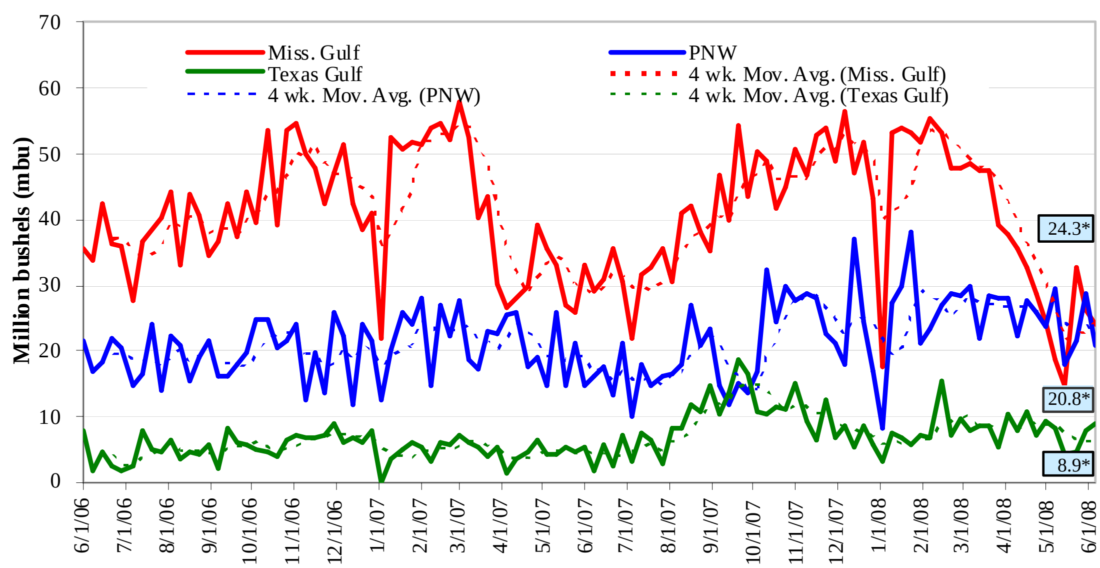


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

June 5: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 7	up 13	down 3	down 28
Last year (same week)	down 17	up 419	up 7	up 29
3-yr avg. (4-wk mov. avg.)	down 26	up 110	down 10	up 20

Ocean Transportation

Table 17

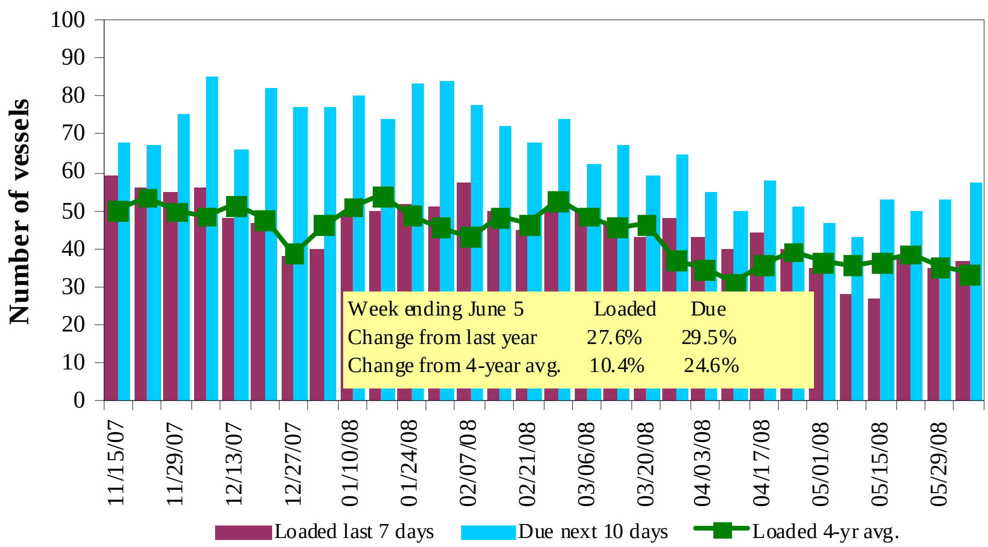
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/5/2008	22	37	57	9	3
5/29/2008	17	35	53	11	3
2007 range	(15..55)	(27..61)	(39..87)	(3..16)	(0..15)
2007 avg.	33	44	64	8	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity

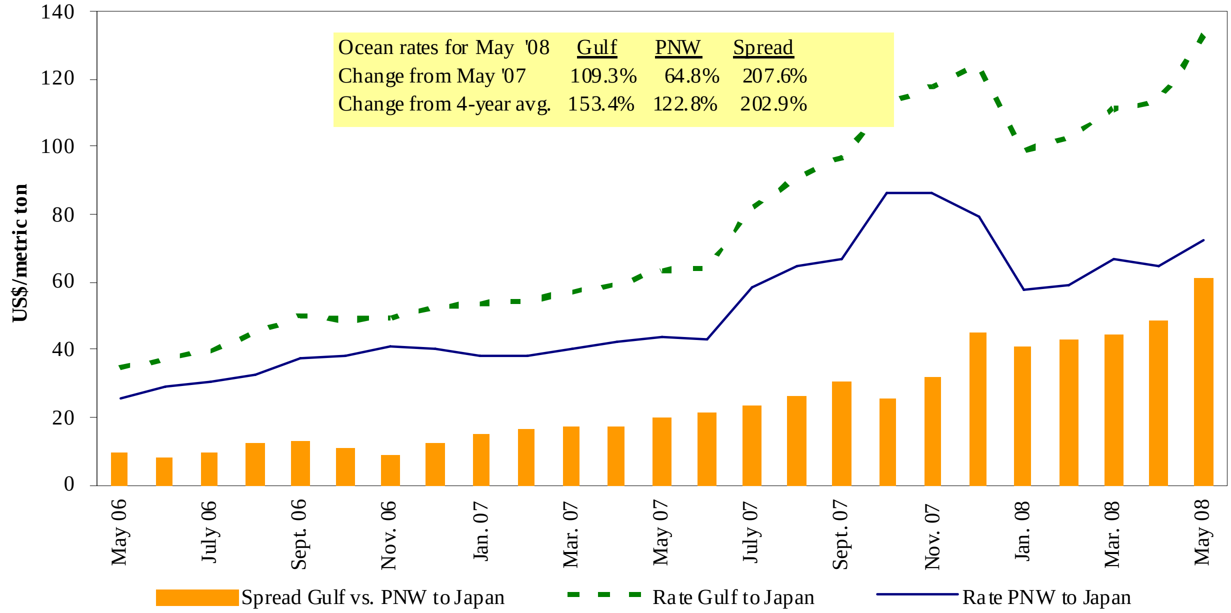


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)/ Drewry Shipping Consultants Ltd (www.drewry.co.uk)/O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/7/2008

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Algeria	Hvy Grain	Feb 1/10	30,000	67.50
U.S. Gulf	Algeria	Hvy Grain	Jan 1/10	30,000	80.00
U.S. Gulf	China	Grain	Mar 25/30	50,000	95.00
U.S. Gulf	Morocco	Hvy Grain	Feb 5/15	25,000	62.75
U.S. Gulf	Haiti[1]	Wheat	Apr 25/May5	9,260	220.39
Brazil	Europe	Soybean Meal	Mar 3/10	28,000	64.00
Brazil	Belgium	Hvy Grain	Apr 4/14	50,000	67.50
Brazil	Belgium	Hvy Grain	May 26/30	50,000	77.25
River Plate	Spain Mediterranean	Soybean Meal	Jun 5/10	25,000	115.00
River Plate	Algeria	Hvy Grain	May 30/Jun 5	30,000	112.00
River Plate	Libya	Corn	Mar 1/10	25,000	77.00

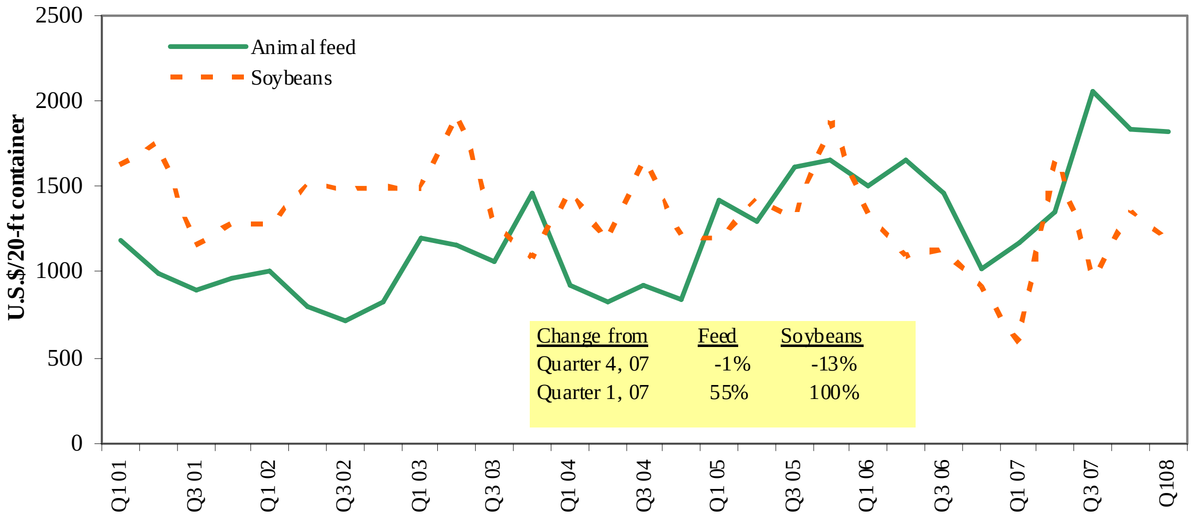
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country. Rates provided are publicly filed tariff rates, not those negotiated in a confidential service contract.

Countries include: Animal Feed: Bangkok-Thailand (12%), Busan-Korea (14%), Hong Kong (16%), Kaohsiung/Keelung-Taiwan (50%), Tokyo-Japan (8%). Soybeans: Bangkok-Thailand (2%), Busan-Korea, (3%), Kaohsiung/Keelung-Taiwan (91%), Tokyo-Japan (4%)

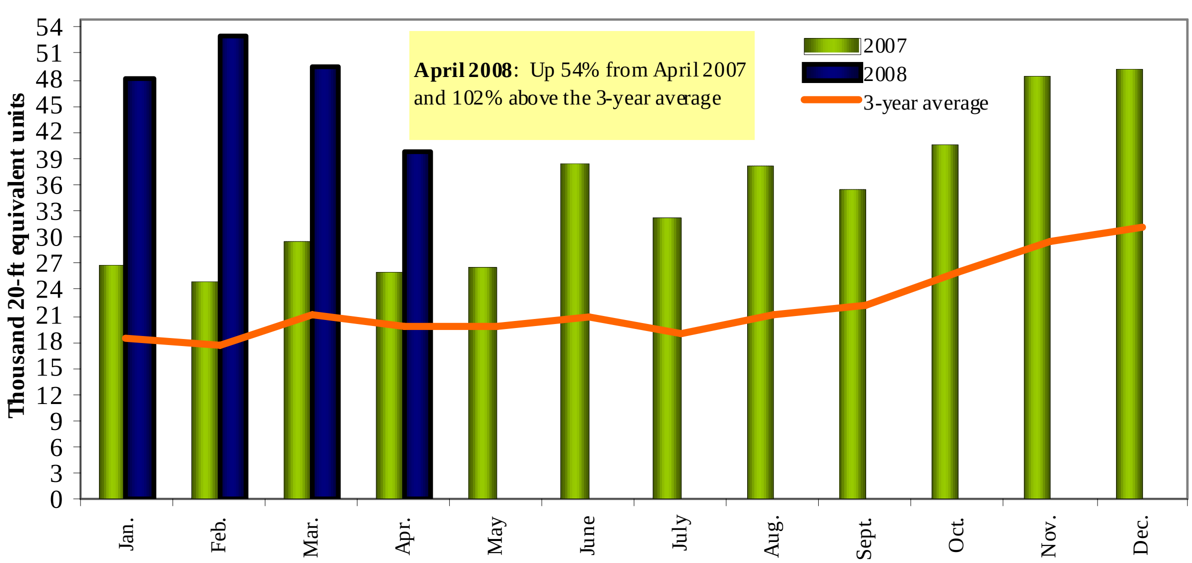
Source: Ocean Rate Bulletin, Quarter 1, 2008, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2007, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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